

Article - Health - General

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§19–712.

(a) Subject to the provisions of subsection (b) of this section, a person who holds a certificate of authority to operate a health maintenance organization under this subtitle may:

(1) Exercise the power that professional and other corporations, partnerships, associations, or other business entities have under their organizational documents and any laws of this State that do not conflict with this subtitle;

(2) Provide health care services to nonmembers who present themselves on other than a prepaid basis;

(3) Provide health care services on a prepaid basis through licensed providers of these services who are under contract with or employed by the health maintenance organization;

(4) Contract with any person to perform, on behalf of the health maintenance organization, functions such as marketing, enrollment, and administration;

(5) Contract for insurance, reinsurance, or indemnity or reimbursement against the cost of health care services provided by the health maintenance organization with:

(i) Any insurance company licensed to do health business in this State; or

(ii) Any hospital, nonprofit health service plan, medical health service, nursing service, optometric service, podiatry service, dental service, pharmaceutical service plan corporation, or similar entity authorized to do business in this State;

(6) Accept from government or private agencies payments that cover all or part of the cost of subscriptions to provide health care services, facilities, appliances, medicines, and supplies;

(7) Buy, lease, construct, renovate, operate, or maintain:

(i) A hospital, medical facility, and ancillary equipment; and

(ii) Property that is reasonably required for its principal office or for any other purpose necessary in the business of the health maintenance organization; and

(8) Offer indemnity benefits that cover out-of-area and emergency services.

(b) (1) A person who holds a certificate of authority to operate a health maintenance organization under this subtitle and who enters into any administrative service provider contract, as defined in § 19-713.2 of this subtitle, with a person or entity for the provision of health care services to subscribers shall be responsible for all claims or payments for health care services:

(i) Covered under the subscriber's contract; and

(ii) Rendered by a provider, who is not the person or entity which entered into the administrative service provider contract with the health maintenance organization, pursuant to a referral by a person or entity which entered into the administrative service provider contract with the health maintenance organization.

(2) Responsibility for claims and payments under this subsection is subject to the provisions of § 15-1005 of the Insurance Article.

(c) The responsibility of a health maintenance organization for claims or payments for health care services in accordance with subsection (b) of this section under an administrative service provider contract:

(1) Is not limited by the amount in a segregated fund established under § 19-713.2 of this subtitle;

(2) Exists irrespective of the insolvency or other inability or failure of a contracting provider, as defined in § 19-713.2 of this subtitle, to pay;

(3) Exists irrespective of the delegation or further subcontracting of health care services by a contracting provider to an external provider, as defined in § 19-713.2 of this subtitle;

(4) May not be altered by contract; and

(5) Applies to all health care services, including those provided under State and federal programs, unless preempted by federal law.

(d) Subsections (b) and (c) of this section apply to a contract between a health maintenance organization and any company affiliated with the health maintenance organization through common ownership within an insurance holding company system, that meets the definition of a contracting provider under § 19-713.2 of this subtitle.

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